A&J VINEYARD SUPPLY, INC. SALE AND CREDIT AGREEMENT

This Sale and Credit Agreement (the "Agreement") is entered into on ______by and between A&J Vineyard Supply Inc., a California corporation ("A&J Vineyard Supply"), whose business address is 900 North Crane Avenue, St. Helena, California 94574 and ______, ("Customer") whose business address is

on the following terms and conditions:

1. <u>Sale of Goods</u>. A&J Vineyard Supply procures and sells inventory, supplies, materials, tools and equipment for use in development and maintenance of vineyards, orchards and landscaping projects ("Goods"). A&J Vineyard Supply agrees to sell to Customer such Goods as Customer may require from time to time. Upon request by Customer, A&J Vineyard Supply shall advise Customer of the current availability and pricing of Customer's desired Goods. Customer acknowledges that prices of Goods will change from time to time, based upon availability, delivery requirements, unique specifications, transportation, and market conditions. The price of Goods shall be determined by A&J Vineyard Supply and shall be specified in an Estimate or Sales Order. Prices exclude shipping, packaging, taxes and insurance, unless otherwise noted. Accepted Orders shall be signed by Customer. Each Accepted Order shall constitute a part of this Agreement.

2. <u>Submission of Orders</u>.

(a) Customer shall submit a written Order to A&J Vineyard Supply specifying the Goods required by Customer and the date by which such Goods are requested, if any, including any unique specifications or requirements. Any Order may be made and accepted by facsimile transmission or e-mail.

(b) A&J Vineyard Supply shall not be obligated to accept any Order. Upon receipt of an Order, A&J Vineyard Supply shall either accept an Order and return an acknowledgement of the Accepted Order to Customer or advise Customer of its rejection or modification of the Order. Customer shall be entitled to revise or modify its Order to meet the requirements of A&J Vineyard Supply and resubmit an Order for acceptance.

3. <u>Credit/Payment Terms</u>. Customer shall pay A&J Vineyard Supply for all Goods in an amount equal to the price as stated on the Accepted Order, plus packaging, shipping, and applicable taxes, as noted. Provided that A&J Vineyard Supply has approved Customer for sales on credit, A&J Vineyard Supply shall invoice Customer with every delivery and Customer shall make full payment thereof no later than fifteen (15) days from the date such invoice is received. In the event payment is not received within such fifteen (15) day period, Customer shall pay a late charge equal to 1.5% per month. In the event Customer is not approved for credit sales, payment shall be due upon acceptance of the order, in advance of delivery of the Goods. Credit accounts which have not been utilized for 12 consecutive months or longer will automatically be closed and converted to cash or credit card only. To reactive a credit account once closed, Customer must resubmit a new, completed credit application and supporting documents for consideration.

4. <u>Delivery Terms</u>. Delivery by A&J Vineyard Supply to Customer shall be at A&J Vineyard Supply's business location, unless otherwise specified in the Accepted Order. Delivery of Goods may be made in lots unless otherwise specified in the Accepted Order. Title to Goods shall pass to Customer upon delivery of the Goods and Customer bears all risk of loss upon acceptance of the Goods. Once all Goods on an Accepted Order are in stock, delivery must be taken within a reasonable amount of time. A written delivery tag will accompany each delivery, indicating the items and quantity of each item being delivered. Customer's signature on delivery tag signifies that Customer or Customer's representative has inspected the Goods and confirms that the Goods delivered are the Goods, reference should be made on the original paperwork at the time of delivery.

5. <u>Returns</u>. Returns must be made within 30 days from date of delivery. Customer must contact A&J Vineyard Supply for authorization prior to returning any Goods. Goods authorized for return must be counted and properly bundled in original packaging form prior to being returned. Goods deemed to have been used or improperly stored will not be eligible for refund or account credit. Customer is responsible for all return freight. All returned Goods are subject to a re-stocking charge. Special Orders are non-returnable and non-refundable, no exceptions.

6. <u>Term of Agreement</u>. This Agreement shall commence as of the date stated in the opening paragraph, and shall continue until either party delivers written notice to the other of termination. Upon termination, unless provided otherwise under this Agreement, A&J Vineyard Supply shall be obligated to meet, fill, and satisfy all Accepted Orders as of the termination date. Customer shall remain obligated to pay for all Goods delivered to Customer pursuant to Accepted Orders notwithstanding termination.

7. <u>Disclaimer of Warranty; Shortened Limitations Period</u>. A&J VINEYARD SUPPLY DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY WARRANTY AS TO "MERCHANTABILITY" OR "SUITABILITY" OR "FITNESS FOR A PARTICULAR PURPOSE". A&J VINEYARD SUPPLY WILL NOT BE RESPONSIBLE FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING DAMAGE FOR DELAY, LOSS OF PROFITS OR GOODWILL, OR ADDITIONAL EXPENSE. THE ENTIRE LIABILITY OF A&J VINEYARD SUPPLY FOR

DAMAGES, WHETHER BASED IN CONTRACT OR NEGLIGENCE, ARE LIMITED TO THE AGGREGATE PURCHASE PRICE OF THE ORDER SUBJECT TO DISPUTE AND PAYMENTS MADE THEREFOR.

ALL CLAIMS ARISING UNDER THIS AGREEMENT, THE PERFORMANCE OF OBLIGATIONS HEREUNDER OR OTHERWISE, AND ANY ACTION BASED UPON SUCH CLAIM, MUST BE BROUGHT WITHIN ONE YEAR FROM THE DATE SUCH CLAIM BECAME KNOWN.

8. <u>Force Majeure</u>. If A&J Vineyard Supply shall be delayed, in whole or in part, in delivering Goods by reason of Force Majeure (as defined herein), such delay shall be excused during the continuance of and to the extent of such Force Majeure. Delivery shall be made and taken as soon as reasonably possible after the removal of such cause, and the time for performance of this Agreement shall be extended for a period equal to the duration of such cause, provided that if such delay exceeds three months, either party may terminate any Accepted Orders affected by the Force Majeure event without liability to the other party. Force Majeure shall mean any of the following events or conditions: acts of government, riots, disturbance, war (declared or undeclared), strikes, lockouts, slowdowns, inability to procure or shortage of materials, interruption of transportation, equipment or production facilities, acts of God, explosion, accident, or other event similar to those listed and outside the control of the parties.

9. <u>Insolvency</u>. In the event of any proceedings, whether voluntary or involuntary, in bankruptcy or insolvency by or against Customer, including any proceeding under any applicable federal or state bankruptcy or insolvency law, or in the event of the appointment, with or without Customer's consent, of an assignee for the benefit of creditors or of a receiver, A&J Vineyard Supply shall be entitled to (i) immediately terminate Customer's right to purchase Goods on credit, (ii) cease delivering Goods subject to Accepted Orders until payment in full of all Goods which have theretofore been delivered, and (iii) require payment at the time of delivery for pending Accepted Orders and future Orders. Upon (i) the occurrence of an event stated in the preceding sentence or (ii) failure by Customer on three (3) or more occasions to make timely payment for Goods as set forth in this Agreement, A&J Vineyard Supply may in its sole discretion require advance payment for all future Orders.

10. <u>Modifications</u>. Any subsequent amendment to this Agreement shall be valid only if executed in writing by the parties or their successors or assigns if applicable. This Agreement shall not be modified, supplemented, qualified, or interpreted by any trade usage not made a part of the Agreement by its express terms.

11. <u>Assignment</u>. Neither party shall delegate any obligations, nor assign any rights or claims hereunder, without the prior written consent of the other party hereto, and any attempted delegation or assignment without such written consent shall be void.

12. <u>Applicable Law</u>. This Agreement shall be governed by and construed according to the laws of the State of California, without regard to California's choice of law provisions. Both parties acknowledge and agree that personal jurisdiction and venue in any suit between the parties shall be exclusively in the courts of general jurisdiction located in Napa County, California.

13. <u>Notices</u>. Notices or other communications required or permitted by this Agreement shall be given in writing, and shall be deemed to have been given forty-eight (48) hours after deposited in the United States mail, return receipt requested and postage prepaid, or on the day following delivery of such notice to a major overnight delivery service. All notices shall be addressed to the parties at the address stated in the opening paragraph of this Agreement. Either party may change its address by written notice to the other pursuant to this paragraph.

14. <u>Attorneys' Fees</u>. If any legal action or other proceeding is brought to enforce this Agreement, or because of an alleged dispute, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover its attorneys' fees and other costs incurred in that action in addition to any other relief to which it might otherwise be entitled.

15. <u>Entire Agreement</u>. This Agreement, the Credit Application and all Accepted Orders hereunder contain the final and entire agreement between the parties and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not herein contained. This Agreement supersedes all prior negotiations, representations, understandings and agreements between the parties, whether written or oral.

16. <u>Severability; Waiver</u>. If any part of this Agreement is held to be illegal, void or unenforceable for any reason, such holding shall not affect the validity and enforceability of any other part. A waiver of any breach of any of the provisions of this Agreement shall not be construed as a continuing waiver of other breaches of the same provision or other provisions hereof.

17. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which so executed and delivered shall be deemed to be an original, and all of which shall be deemed to be one and the same instrument.

18. <u>Binding Effect</u>. This Agreement and all of its terms, conditions and covenants are intended to be fully effective and binding, to the extent permitted by law, on the successors and permitted assigns of the parties hereto.

19. <u>Remedies Cumulative</u>. The remedies, stated in this Agreement in the event of failure of payment, performance or other default, are not exclusive. The remedies of the parties are intended to be cumulative.

A&J VINEYARD SUPPLY: A&J Vineyard Supply Inc. A California corporation

By:

Jennifer Di Battista, Secretary

CUSTOMER: